

## SENATE BILL NO. 94

INTRODUCED BY D. SHEA

BY REQUEST OF THE OFFICE OF PUBLIC INSTRUCTION

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE DEFINITION OF "BASE AID" TO INCLUDE 40 PERCENT OF THE SPECIAL EDUCATION ALLOWABLE COST PAYMENT; AMENDING THE DEFINITION OF "BASE BUDGET" TO INCLUDE 140 PERCENT OF THE SPECIAL EDUCATIONAL ALLOWABLE COST PAYMENT; AMENDING THE DEFINITION OF "MAXIMUM GENERAL FUND BUDGET" TO INCREASE THE SPECIAL EDUCATION ALLOWABLE COST PAYMENT COMPONENT FROM 153 PERCENT TO ~~200~~ 175 PERCENT FOR SCHOOL FISCAL YEAR 2002; AMENDING THE DEFINITION OF "MAXIMUM GENERAL FUND BUDGET" FOR SCHOOL FISCAL YEAR 2003 AND SUCCEEDING YEARS TO INCLUDE THE GREATER OF 175 PERCENT OF THE SPECIAL EDUCATION ALLOWABLE COST PAYMENT OR THE RATIO, NOT TO EXCEED 200 PERCENT, OF THE DISTRICT'S SPECIAL EDUCATION ALLOWABLE COST EXPENDITURES TO THE SPECIAL EDUCATION ALLOWABLE COST PAYMENT FOR THE FISCAL YEAR THAT IS 2 YEARS PREVIOUS; AMENDING SECTION 20-9-306, MCA; AND PROVIDING ~~AN~~ EFFECTIVE ~~DATE AND AN~~ DATES, APPLICABILITY ~~DATE~~ DATES, AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 20-9-306, MCA, is amended to read:

**"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "BASE" means base amount for school equity.

(2) "BASE aid" means:

(a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district; and

(b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and ~~up to~~ 40% of the special education allowable cost payment.

(3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of

1 the basic entitlement, 80% of the total per-ANB entitlement, and ~~up to~~ 140% of the special education  
2 allowable cost payment.

3 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which  
4 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366  
5 through 20-9-369.

6 (5) "BASE funding program" means the state program for the equitable distribution of the state's  
7 share of the cost of Montana's basic system of public elementary schools and high schools, through  
8 county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in  
9 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as  
10 provided in 20-9-321.

11 (6) "Basic entitlement" means:

12 (a) \$206,000 for each high school district;

13 (b) \$18,540 for each elementary school district or K-12 district elementary program without an  
14 approved and accredited junior high school or middle school; and

15 (c) the prorated entitlement for each elementary school district or K-12 district elementary program  
16 with an approved and accredited junior high school or middle school, calculated as follows:

17 (i) \$18,540 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of  
18 kindergarten through grade 8; plus

19 (ii) \$206,000 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten  
20 through grade 8.

21 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB  
22 entitlement for the general fund budget of a district and funded with state and county equalization aid.

23 (8) "Maximum general fund budget" means a district's general fund budget amount calculated  
24 from the basic entitlement for the district, the total per-ANB entitlement for the district, and ~~up to 153%~~  
25 200% 175% of special education allowable cost payments.

26 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount  
27 budgeted that is above the BASE budget and below the maximum general fund budget for a district.

28 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following  
29 calculations:

30 (a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015

1 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up  
2 through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th  
3 ANB;

4 (b) for an elementary school district or a K-12 district elementary program without an approved  
5 and accredited junior high school or middle school, a maximum rate of \$3,763 for the first ANB is  
6 decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB,  
7 with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

8 (c) for an elementary school district or a K-12 district elementary program with an approved and  
9 accredited junior high school or middle school, the sum of:

10 (i) a maximum rate of \$3,763 for the first ANB for kindergarten through grade 6 is decreased at  
11 the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess  
12 of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

13 (ii) a maximum rate of \$5,015 for the first ANB for grades 7 and 8 is decreased at the rate of 50  
14 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess  
15 of 800 receiving the same amount of entitlement as the 800th ANB."

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17 **SECTION 2. SECTION 20-9-306, MCA, IS AMENDED TO READ:**

18 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the  
19 following definitions apply:

20 (1) "BASE" means base amount for school equity.

21 (2) "BASE aid" means:

22 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement  
23 for the general fund budget of a district; and

24 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic  
25 entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a  
26 district, and up to 40% of the special education allowable cost payment.

27 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of  
28 the basic entitlement, 80% of the total per-ANB entitlement, and up to 140% of the special education  
29 allowable cost payment.

30 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which

1 may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366  
2 through 20-9-369.

3 (5) "BASE funding program" means the state program for the equitable distribution of the state's  
4 share of the cost of Montana's basic system of public elementary schools and high schools, through  
5 county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in  
6 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as  
7 provided in 20-9-321.

8 (6) "Basic entitlement" means:

9 (a) \$206,000 for each high school district;

10 (b) \$18,540 for each elementary school district or K-12 district elementary program without an  
11 approved and accredited junior high school or middle school; and

12 (c) the prorated entitlement for each elementary school district or K-12 district elementary program  
13 with an approved and accredited junior high school or middle school, calculated as follows:

14 (i) \$18,540 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of  
15 kindergarten through grade 8; plus

16 (ii) \$206,000 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten  
17 through grade 8.

18 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB  
19 entitlement for the general fund budget of a district and funded with state and county equalization aid.

20 (8) "Maximum general fund budget" means a district's general fund budget amount calculated  
21 from the basic entitlement for the district, the total per-ANB entitlement for the district, and ~~up to 153%~~  
22 the greater of:

23 (a) 175% of special education allowable cost payments; or

24 (b) the ratio, expressed as a percentage, of the district's special education allowable cost  
25 expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years  
26 previous, with a maximum allowable ratio of 200%.

27 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount  
28 budgeted that is above the BASE budget and below the maximum general fund budget for a district.

29 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following  
30 calculations:

(a) for a high school district or a K-12 district high school program, a maximum rate of \$5,015 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school or middle school, a maximum rate of \$3,763 for the first ANB is decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school or middle school, the sum of:

(i) a maximum rate of \$3,763 for the first ANB for kindergarten through grade 6 is decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of \$5,015 for the first ANB for grades 7 and 8 is decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB."

**NEW SECTION. Section 3. Effective date DATES -- applicability.** ~~[This act]~~ (1) EXCEPT AS PROVIDED IN SUBSECTION (2), [THIS ACT] is effective July 1, 2001, and applies to school budgets for THE school fiscal years beginning on or after YEAR BEGINNING July 1, 2001.

(2) [SECTION 2] IS EFFECTIVE JULY 1, 2002, AND APPLIES TO SCHOOL BUDGETS FOR SCHOOL FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2002.

**NEW SECTION. SECTION 4. TERMINATION.** [SECTION 1] TERMINATES JUNE 30, 2002.

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